

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

HALLIBURTON ENERGY SERVICES, INC.,

Plaintiff,

v.

WEATHERFORD INTERNATIONAL, INC.
and BJ SERVICES COMPANY,

Defendants.

CIVIL ACTION NO 3:02-CV-1347-N

**PLAINTIFF HALLIBURTON'S REPLY TO
DEFENDANT WEATHERFORD'S COUNTERCLAIM**

Plaintiff Halliburton Energy Services, Inc. ("Halliburton") replies to Defendant Weatherford International, Inc.'s ("Weatherford's") Counterclaim, as follows:

1. Halliburton admits the allegations contained in paragraph 1 of the Counterclaim on information and belief.
2. Halliburton admits the allegations contained in paragraph 2 of the Counterclaim.
3. Subject matter jurisdiction cannot be "admitted" or "denied" but Halliburton denies that there is a "justiciable controversy" or that declaratory jurisdiction exists regarding U.S. Patent No. 6,220,349 ("the '349 Patent") as alleged in paragraph 3 of the Counterclaim; Halliburton specifically denies it has accused Weatherford of infringing this patent.
4. Halliburton admits the allegations contained in paragraph 4 of the Counterclaim. Halliburton admits that jurisdiction and venue are appropriate in this

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District and Division. Halliburton's extensive contacts and presence in this District subject it to personal jurisdiction.

5. Halliburton incorporates its responses to Weatherford's previous allegations which Weatherford purports to incorporate by reference in paragraph 5 of the Counterclaim.

6. Halliburton denies the allegations contained in paragraph 6 of the Counterclaim.

7. Halliburton denies the allegations contained in paragraph 7 of the Counterclaim.

8. Halliburton denies that there is a "justiciable controversy" or that declaratory jurisdiction exists regarding U.S. Patent No. 6,220,349 as alleged in paragraph 8 of the Counterclaim. Halliburton also denies it has accused Weatherford of infringing this patent. Halliburton denies that its letters accused Weatherford of infringing the '349 Patent. Halliburton denies that a justiciable controversy exists as to this patent because Weatherford has represented that it manufactures no products covered by the '349 Patent.

9. Halliburton denies the allegations contained in paragraph 9 of the Counterclaim.

10. Paragraph 10 of the Counterclaim does not contain any allegation requiring an admission or denial; however, Halliburton denies that Weatherford is entitled to the requested relief.

11. Halliburton incorporates its responses to Weatherford's previous allegations which Weatherford purports to incorporate by reference in paragraph 11 of the Counterclaim.

12. Halliburton denies the allegations contained in paragraph 12 of the Counterclaim.

13. Halliburton denies the allegations contained in paragraph 13 of the Counterclaim.

14. Paragraph 14 of the Counterclaim does not contain any allegation requiring an admission or denial; however, Halliburton denies that Weatherford is entitled to the requested relief.

15. Halliburton incorporates its responses to Weatherford's previous allegations which Weatherford purports to incorporate by reference in paragraph 15 of the Counterclaim.

16. Halliburton moves for a more definite statement of the allegations contained in paragraph 16 of the Counterclaim. Weatherford's conclusory allegations are insufficient, including because they fail to specify the supposed "relevant market" and "market power in the relevant market," and which of "Halliburton's composite bridge plug products" are referred to. The Counterclaim is so vague and ambiguous in respect to the above matters that Halliburton cannot reasonably be required to frame an answer thereto. To the extent Weatherford's allegations contained in paragraph 16 of the Counterclaim are comprehended, Halliburton denies the allegations and demands strict proof thereof.

17. Paragraph 17 of the Counterclaim does not contain any allegation requiring an admission or denial; however, Halliburton denies that Weatherford is entitled to any of the requested relief. Halliburton denies that Weatherford is entitled to any declaratory judgment for lack of jurisdiction specifically with regard to the '349 Patent as Weatherford has represented that it has no product covered by the '349 Patent.

18. Halliburton incorporates its responses to Weatherford's previous allegations which Weatherford purports to incorporate by reference in paragraph 18 of the Counterclaim.

19. Halliburton denies the allegations contained in paragraph 19 of the Counterclaim, and specifically denies that Weatherford is entitled to any declaratory relief.

20. Halliburton denies that Weatherford is entitled to attorneys' fees, expenses, costs or any other relief prayed for in the Counterclaim.

21. Halliburton denies all allegations in the Counterclaim that are neither specifically admitted nor qualified in this Reply.

22. Weatherford's "Affirmative Defenses" Paragraphs 1-7 contain no specific allegations requiring either an admission or denial. To the extent that any of Weatherford's "Affirmative Defenses" can be interpreted as a factual allegation, or to the extent they purport to set up claims or seek to establish any liability against Halliburton, Halliburton specifically denies each and every factual allegation in Paragraphs 1-7 of Weatherford's "Affirmative Defenses." To the extent that Weatherford bears the burden of proof on its affirmative defenses, Halliburton demands strict proof of the allegations.

23. The Counterclaim fails to state a claim against Halliburton upon which relief can be granted, and therefore, should be dismissed.

24. Weatherford is not entitled to the relief prayed for or to maintain the Counterclaim because of unclean hands and/or estoppel.

25. Weatherford has brought its Counterclaim in bad faith making it an exceptional case, thereby entitling Halliburton to its costs and attorneys' fees pursuant to 35 U.S.C. § 285.

WHEREFORE, Halliburton prays for relief as follows:

- a. that Weatherford's claims be denied and that the Counterclaim be dismissed;
- b. that Halliburton be awarded its costs and reasonable attorneys' fees; and
- c. for such other and further relief as the Court may deem just and proper.

Dated: August 19, 2002

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CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of August, 2002, a true and correct copy of the within document was caused to be served on the attorneys of record at the following addresses as indicated:

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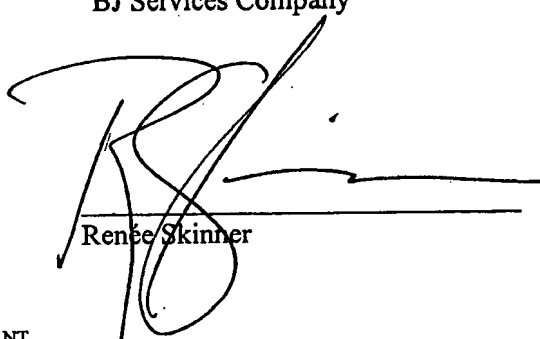
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